

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0284945

THE APPLICATION OF PIONEER NATURAL RES. USA, INC. TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, THE WEST 12 INCH SOUR GAS PIPELINE, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0285155

THE APPLICATION OF PIONEER NATURAL RES. USA, INC. TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, THE EAST 12 INCH SOUR GAS PIPELINE, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0285156

THE APPLICATION OF PIONEER NATURAL RES. USA, INC. TO CONSTRUCT AND OPERATE A HYDROGEN SULFIDE GAS PIPELINE, THE NORTH 16 INCH SOUR GAS PIPELINE, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS

APPLICATIONS REVIEWED BY:

Richard D. Atkins, P.E. - Technical Examiner

DATE APPLICATIONS FILED: October 8 & 15, 2013

DATE REVIEWED:

December 20, 2013

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

These are the unprotested applications of Pioneer Natural Res. USA. Inc. ("Pioneer") for Commission authority to construct and operate hydrogen sulfide (H2S) gas pipelines in La Salle County, pursuant to Statewide Rules 36, 70 and 106.

Pioneer published notice of the applications in a newspaper of general circulation in La Salle County. The notices were published in the Frio-Nueces Current on October 17 & 24, 2013. The applications were also filed with the La Salle County Clerk on October 10 & 15, 2013.

The Commission's Field Operations section has reviewed the applications and has determined that the applications comply with the applicable provisions of Statewide Rule 36. In addition, the Commission's Safety Division and Gas Services Division have reviewed the applications. The examiner has also reviewed the applications and recommends approval.

DISCUSSION OF THE EVIDENCE

Pioneer proposes construction of gas gathering pipelines to transport produced sour gas from west, east and north well pads to the Central Gathering Plant 11. The pipelines will be part of the Area 11 East Gathering System. The pipelines are located in a rural area of central La Salle County and are southeast of the town of Cotulla, Texas. All three of the pipelines have a 100 parts per million (ppm) of H2S radius of exposure ("ROE") that includes parts of Quintana Road. Since the transported gas contains less than 500 ppm of H2S, there is no 500 ppm ROE. The submitted contingency plans for the gas gathering pipelines comply with the provisions of Statewide Rule 36(c)(9).

The west gas gathering pipeline will be 12 inches in diameter and approximately 1.6 miles in length. The line will carry a maximum of 15.5 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 ppm of H2S ROE is 351 feet.

The east gas gathering pipeline will be 12 inches in diameter and approximately 1.2 miles in length. The line will carry a maximum of 8.5 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 ppm of H2S ROE is 241 feet.

The north gas gathering pipeline will be 16 inches in diameter and approximately 2.9 miles in length. The line will carry a maximum of 20.0 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 ppm of H2S ROE is 412 feet.

All materials will satisfy the requirements described in the latest editions of NACE Standard MR-0175-2003. The gas gathering pipelines will be constructed of API-5L-X52 FBE grade steel pipe. The pipelines will be equipped with cathodic protection to prevent external corrosion and will be chemically treated as needed for internal corrosion and monitored with corrosion coupons. The pipelines will be buried to a minimum depth of 4 feet. H2S warning signs compliant with Rule 36(c)(6)(A) and (c)(6)(B) will be posted at all road crossings as well as intervals along the pipelines frequent enough as to provide warning to avoid accidental rupture of the pipelines by excavation. The signs will indicate poison gas, company name and emergency phone numbers.

The proposed pipelines will comply with Statewide Rule 36(c)(8). Pioneer will monitor pressures at multiple points including wellheads, separation vessels, gas gathering pipelines and at the Central Gathering Plant 11. The pipelines will be monitored 24/7 through a SCADA monitoring system, which also provides emergency shutdown systems, including a low and high pressure shutdown at the wellheads and the Central Gathering Plant 11. H2S will be monitored daily at the Central Gathering Plant 11 through an analyzer on the gas residue of the amine plant. Pioneer will also obtain periodic H2S readings at the separators.

FINDINGS OF FACT

- 1. On October 8 & 15, 2013, Pioneer filed applications for a permit to construct three hydrogen sulfide gas gathering pipelines in La Salle County.
- 2. Pioneer Natural Res. USA, Inc. ("Pioneer") published notice of the applications in a newspaper of general circulation in La Salle County. The notices were published in the *Frio-Nueces Current* on October 17 & 24, 2013. The applications were also filed with the La Salle County Clerk on October 10 & 15, 2013.
- 3. Pioneer proposes construction of three gas gathering pipelines to transport produced sour gas from west, east and north well pads to the Central Gathering Plant 11.
 - a. The west gas gathering pipeline will be 12 inches in diameter and approximately 1.6 miles in length. The line will carry a maximum of 15.5 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 parts per million ("ppm") of H2S radius of exposure ("ROE") is 351 feet.
 - b. The east gas gathering pipeline will be 12 inches in diameter and approximately 1.2 miles in length. The line will carry a maximum of 8.5 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 ppm of H2S ROE is 241 feet.
 - c. The north gas gathering pipeline will be 16 inches in diameter and approximately 2.9 miles in length. The line will carry a maximum of 20.0 MMCFGPD containing 475 ppm of H2S. The maximum operating pressure will be 1,440 psi and the 100 ppm of H2S ROE is 412 feet.
- 4. The three gas gathering pipelines are located in a rural area of central La Salle County and are southeast of the town of Cotulla, Texas.
 - a. All three of the pipelines have a 100 ppm of H2S ROE that includes parts of Quintana Road.

- b. Since the transported gas contains less than 500 ppm of H2S, there is no 500 ppm ROE.
- 5. Pipeline materials and construction meet the NACE and API standards, as required by Statewide Rule 36 for hydrogen sulfide service.
- 6. The submitted contingency plans for the lines are in accordance and comply with the provisions of Rule 36(c)(9).
- 7. The pipelines will be constructed subject to Commission inspections for compliance with the appropriate Commission Rules pursuant to Statewide Rule 36(c)(6)(7)(8) and (13).
- 8. The Commission's Field Operations Section, Pipeline Safety Division and Gas Services Division have reviewed the applications and recommend approval.

CONCLUSIONS OF LAW

- 1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
- 2. All things have occurred and have been accomplished to give the Commission jurisdiction in these cases.
- 3. The applications comply with Statewide Rules 36, 70 and 106.
- 4. Approving the applications for a permit to construct and operate the proposed hydrogen sulfide gas pipelines is consistent with the rules and safety standards adopted by the Commission.

EXAMINER'S RECOMMENDATION

The examiner recommends that the Commission approve the applications for authority pursuant to Statewide Rules 36, 70 and 106, to construct and operate the proposed hydrogen sulfide gas pipelines in La Salle County, Texas, as requested by Pioneer Natural Res. USA, Inc.

Respectfully submitted,

Richard P. athus

Richard D. Atkins, P.E.

Technical Examiner